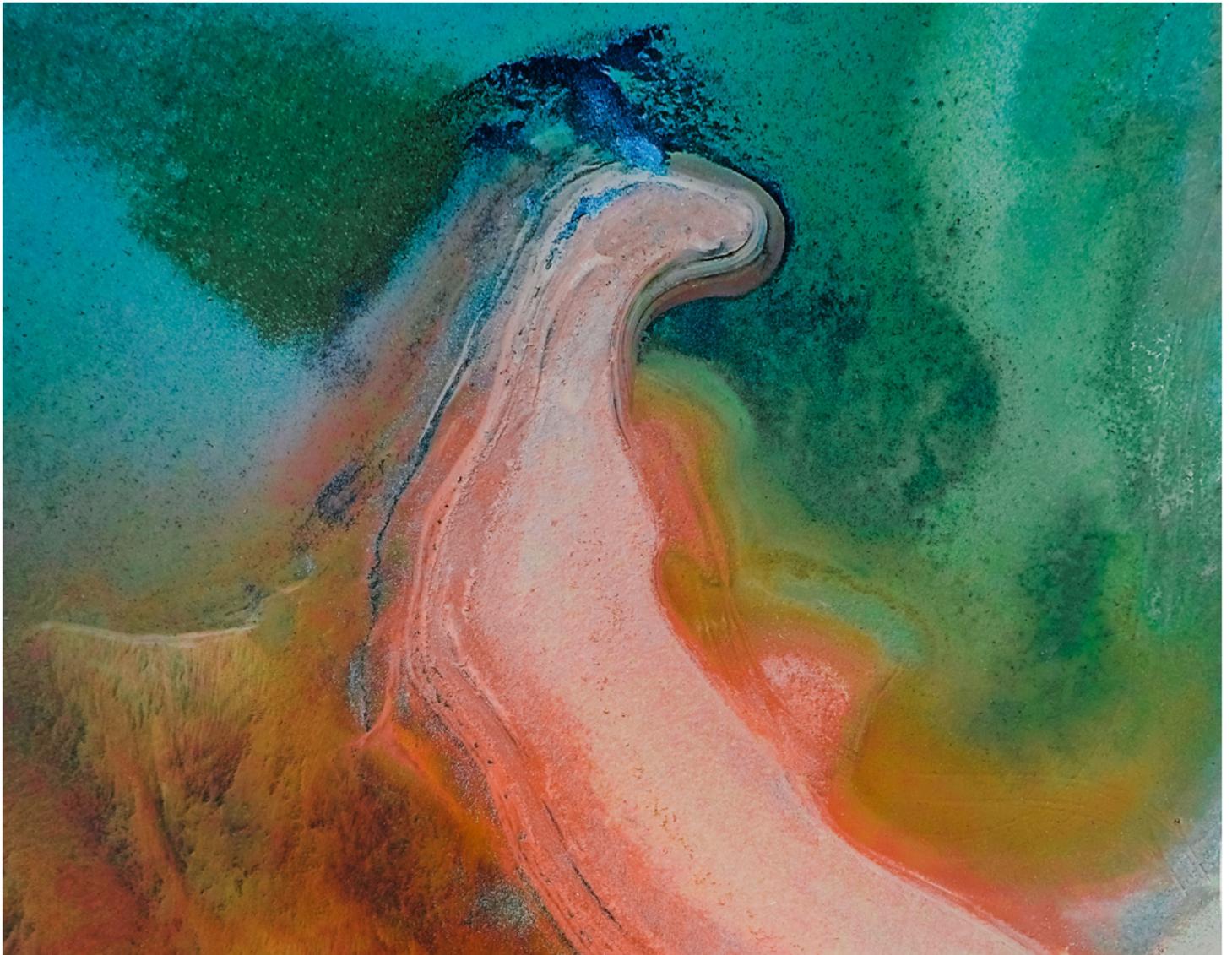


Australia & New Zealand Report 2018

On behalf of over 650 investors with US\$87 trillion in assets.



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CEO foreword



We know that business is key in enabling the global economy to achieve – and exceed – its climate goals. The continued action of these entities will be vital as we go through 2019, the final year before nations update their national climate plans for the Paris Agreement and just as global emissions need to peak.

2018 was another momentous year for action on climate change. The landmark report from the Intergovernmental Panel on Climate Change (IPCC) underlined the urgent need to bend the curve on global greenhouse gas emissions. Meanwhile the UN Environment Programme offered a stark reminder of the gap between where we are now and where we need to be. The choice facing companies and investors has never been clearer: seize the opportunities of the low-carbon transition or continue business as usual and face untold risks.

Against this backdrop, it is encouraging that 2018 saw a quickening pace of climate action. We saw more companies disclose their environmental data, and more set stretching targets to reduce emissions. Eighteen years ago, when CDP started, climate disclosure was non-existent in capital markets. In 2018, over 7,000 companies, worth more than 50% of global market capitalization disclosed environmental data through our platform. That's an 11% jump on the previous year.

Environmental disclosure further entered the mainstream with the FSB's Task Force on Climate-related Financial Disclosure (TCFD), which built on the work of CDP and paves the way for mandatory climate-related disclosures across all G20 countries over time. Through our upgraded disclosure platform, which incorporates the TCFD's recommendations, the 7,000 companies disclosing this year have aligned their disclosures with those recommendations (72% of the listed companies that disclosed through CDP were able to answer between 21 and 25 of the 25 new TCFD questions).

As we have long believed, where there is greater transparency, greater action follows. As showcased by 2018's Global Climate Action Summit, leaders from across the worlds of business and finance are taking the urgent steps required to build a sustainable future for all. The summit was an important and timely reminder of the progress we are seeing across the real economy.

From the 500 companies that are now committed to set science-based emissions reductions targets; to those moving toward 100% renewable electricity; and the investors stepping up to shift their investments to low-carbon, we are seeing tremendous progress in the right direction.

But there is no time for complacency. There are still some serious hurdles in the race towards Paris Agreement implementation. In October 2018, Brazil elected a president whose policies threaten the future of the Amazon rainforest, one of the world's biggest carbon sinks. Meanwhile in the US, President Trump continues to ignore stark warnings on the damage climate change will inflict on the US economy, instead pushing through deregulation and attempting to resurrect the coal industry.

There's also no denying the reality of intensifying climate impacts. From a Europe-wide heatwave to record droughts in Cape Town, hurricanes in the Americas and wildfires in the Arctic, 2018's extreme weather events brought enormous costs to both capital markets and wider society.

To stay below the 1.5°C guardrail, the IPCC tells us the global economy needs to reach net zero-carbon by mid-century and halve emissions by 2030, compared with 2010 levels. This represents nothing short of a complete transformation of the global economy. It is going to take unprecedented co-operative action between companies, investors, cities, states and governments across all sectors.

This is the time for businesses to ramp up action and send a clearer signal to governments that they need the policy ambition to match. Business as usual is no longer an option, but a prosperous and sustainable low-carbon future is achievable, if we choose to rise to the challenge. We must, we can and I believe we will.

Paul Simpson
CEO, CDP

Disclosure in 2018

An overview

Global highlights

- ▼ Over 7,000 companies disclosed environmental information to investors and/or customers via CDP's questionnaires. These companies collectively represent over half of global market capitalization.
- ▼ The investor request was made on behalf of over 650 institutional investors representing US\$87 trillion in assets.
- ▼ Through CDP's supply chain program, 115 major purchasing organizations with a combined spend of US\$3.3 trillion requested their suppliers to report data through CDP.
- ▼ CDP's climate change questionnaire is fully aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). CDP's water security and forests questionnaires similarly incorporated changes inspired by TCFD.

About this report

This report analyzes data disclosed by Australian and New Zealand companies in 2018 at the request of CDP's investor members and signatories.

Sector-specific approach

- ▼ In 2018, CDP introduced sector-specific questionnaires for certain high-impact sectors, in response to feedback from investors and companies that there was a need for better comparability and understanding of company actions according to their environmental risks, opportunities, and impacts.
- ▼ These high impact sectors are in line with what the TCFD determines to be the non-financial sectors and industries with the highest likelihood of climate-related financial impacts.
- ▼ Companies were assigned sectors according to CDP's Activity Classification System based on the activities from which they derive revenue. Depending on the revenue derived from these activities, companies could be assigned one or more sectors. In 2018, companies were scored based only on their primary sector.
- ▼ Companies which were not assigned a sector-specific questionnaire continued to respond to the general version of CDP's questionnaires.
- ▼ In 2019, CDP will introduce a forests questionnaire for the metals & mining/coal sector. In 2020, CDP will introduce climate change questionnaires for the financial services, capital goods, and real estate sectors. This will complete our alignment and coverage of high-impact sectors identified by the TCFD.

Figure 1: Sector-specific questionnaires introduced in 2018

Cluster	Climate change	Water security	Forests
Agriculture	Agriculture commodities (AC) Food, beverage & tobacco (FBT) Paper & forestry (PF)	Food, beverage & tobacco	Paper & forestry
Energy	Coal (CO) Electric utilities (EU) Oil & gas (OG)	Electric utilities	
Materials	Cement (CE) Chemicals (CH) Metals & mining (MM) Steel (ST)	Chemicals Metals & mining	
Transport	Transport services (TS) Transport OEMs (TO)		
General		All other sectors	

Climate change

Australia & New Zealand insights

In its special report released in October 2018, the Intergovernmental Panel on Climate Change warned that climate action must increase fivefold in order to avoid the worst impacts of climate change¹. By taking ambitious climate action, companies in Australia and New Zealand can help to ensure a smooth transition to a low carbon economy.

95%

of companies in the region reported having board-level oversight of climate-related issues

In 2018, nearly 270 companies based or listed in Australia and New Zealand were requested by CDP to respond to CDP's climate change questionnaire on behalf of more than 650 investors. In response to this, 95 companies in the region disclosed environmental data. Of these, 82 were from Australia and 13 from New Zealand. This is the same overall number as 2017, when 81 Australian and 14 New Zealand-based companies submitted a response.

32 of the companies that responded in 2018 submitted a response to a sector-specific questionnaire. As shown in Figure 2, most of the sector-specific submissions fell within the materials and energy sector clusters.

The A List

Every year, CDP releases a global A List to recognise companies that are leading in their actions to manage environmental risks, opportunities, and impacts related to climate change, water security, and deforestation.

139 companies worldwide made it to the climate change A List in 2018, with three Australian companies making the list.

2018 is the third consecutive year that diversified property group **Stockland** has scored an A for CDP's climate change program.

Improving on a score of A- in 2017, telecommunications and technology company **Telstra Corporation** received a score of A for the climate change program in 2018.

Also making the 2018 A List for the climate change program is metals, mining and petroleum company, **BHP**, which improved on a score of B in 2017.

Governance

95% of responding companies in the region reported having board-level oversight of climate-related issues in 2018. In line with the recommendations of the TCFD, CDP considers this best practice.

Figure 2: Sector breakdown of CDP climate change responses in 2018 (Australia and New Zealand)

Cluster	Sector	Submissions	Cluster total
Agriculture	Food, beverage & tobacco	3	4
	Paper & forestry	1	
Energy	Electric utilities	6	10
	Oil & gas	4	
Materials	Cement	1	17
	Chemicals	2	
	Metals & mining	14	
Transport Services	Transport services	1	1
General	All other sectors	63	63

40%

of companies in the region did not report emissions reduction targets

Supply chain logistics company, **Brambles**, has a Sustainability Risk Committee that assists its executive leadership team and board to fulfil their corporate governance and oversight responsibilities relating to sustainability risks. The committee, consisting of senior corporate and business unit executives with relevant and applicable functional expertise, does this by identifying, assessing, monitoring and reporting on the company's exposure to sustainability risks.

An important indicator for assessing an organization's approach to climate-related issues is the presence of incentives for management that are tied to energy or emission reduction projects or targets. Overall, 68 companies (72%) in the region reported having incentives in place for the management of climate-related issues, including the attainment of targets. Of these, 20 reported monetary incentives for senior management and/or board members that were tied to efficiency, emissions and energy reduction.

Risks & opportunities

85% of companies in the region report that their processes to identify, assess and manage climate-related issues are integrated into their overall risk management, indicating that the majority of responding companies employ a multi-disciplinary and company-wide approach to climate risk management. However, just over half of these companies identify and assess climate risks every six months or more frequently, which is considered best practice.

Through such assessments, 74% of companies in the region identified climate-related risks with the potential to have a substantive financial or strategic impact on their business. A total of 332 risks were identified by companies throughout their value chains.

These risks can be further split out to look at two types of impact: the physical risks from a changing climate and extreme weather events, which can disrupt operations and supply chains; and the transition risks from society's response to climate change, such as policy and regulatory changes, the development of new technologies and business models, or changing consumer demand.

In Australia and New Zealand, 59% of the reported risks were transitional risks and the most commonly reported were associated with increased pricing of greenhouse gas emissions, mandates on and regulation of existing products and services, and enhanced emissions-reporting obligations. Other commonly reported transition risks were reputational and market-related risks, such as changing customer behavior and increased stakeholder concern.

The remaining 41% were physical risks and the most frequently reported were chronic risks such as changes in precipitation patterns, extreme variability in weather patterns, and rising mean temperatures. Acute physical risks such as increased severity of extreme weather events, which may result in increased capital costs and early retirements of company assets due to damage and reduced revenue from decreased production capacity were also reported.

In line with the TCFD recommendations, CDP now asks companies to report the potential financial impacts of their climate-related risks. 39 companies in the region provided this information, which will enable investors and other data users to better understand the potential financial implications of these risks. Assigning financial figures to climate-related risks can also be a helpful internal tool to support strategic decision-making and for prioritising mitigation efforts.

77 companies (81%) in the region also reported having identified climate-related opportunities with the potential to have a substantive financial or strategic impact on their business.

In total, 230 opportunities were identified by these 77 companies. The most commonly identified opportunities related to products and services, such as the ability to diversify business activities, the development and expansion of low emission goods, and benefitting from shifting consumer preferences. Other opportunities were associated with energy sourcing, resilience, and resource efficiency.

National Australia Bank (NAB) identified an opportunity to employ more renewable technologies in its direct operations, which is expected to reduce energy costs whilst increasing the certainty of these costs at the same time. NAB's installation of solar panels at its branches in 2016/17 is expected to result in annual monetary savings of AUD \$181,000 with a payback period of less than three years. To further realize this opportunity, NAB has committed to source 50% of its Australian energy from renewable sources by 2025.

Business strategy

Incorporating climate-related issues into corporate strategy can allow for better assessments and decision-making that are driven by climate-related future market opportunities, public policy objectives, and corporate responsibilities. In Australia and New Zealand, 90% of companies report having climate-related issues integrated into their business strategy.

To better understand future risks and develop suitable resilience strategies, the TCFD recommends

that organizations also incorporate scenario analysis into their strategic planning and risk management practices.

Nearly 40% of companies in the region reported using qualitative and/or quantitative climate-related scenario analysis to inform their business strategy, whilst a further 32% reported that they anticipate doing so within the next two years. The most commonly cited climate-related scenarios were 2DS, IEA 450, Deep Decarbonisation Pathways Project (DDPP), and the nationally determined contributions of Australia and New Zealand.

For example, **Stockland** has used scenario analysis since 2011 to better understand its exposure to climate risks and to identify opportunities.

The diversified property company considered the RCP2.6 scenario, the IPCC's pathway to limit global warming to 2°C. To draw insights on how Australia's economy and infrastructure may change to limit warming to two degrees, Stockland also incorporated the Australia-specific outputs from the DDPP. The two scenarios were applied to all areas of Stockland's business and led to the identification of several key transition risks and opportunities. Some risks were easily integrated into the company's enterprise risk register, while others led to new areas of focus, such as enhanced disclosure and liability risks.

Stockland also incorporated the RCP8.5 scenario into its analysis to identify physical risks and opportunities. This led the company to develop a climate resilience assessment process for high priority assets, and to integrate identified opportunities to enhance climate resilience into capital expenditure and asset operation plans.

As scenario analysis becomes increasingly implemented in the region over the coming years, we can expect it to influence how companies model their business strategies.

Emissions reduction targets

Corporate emissions reduction targets are essential to achieving the goals of the Paris Agreement and tackling climate change. In 2018, 57 companies (60%) reported having active emissions reduction targets, a slight increase from 56 in 2017. Of these companies, 24 have absolute reduction targets, 19 have intensity targets, and 14 have both.

A growing number of companies are also aligning their goals with the Paris Agreement, by using the best available climate science to set emissions reduction targets in line with what would be required

to hold global warming well below 2°C above pre-industrial levels.

In 2017, **Auckland International Airport** became the first organization in the region to have its target officially validated by the Science Based Targets initiative (SBTi).

This was followed by **Origin Energy**, whose targets to reduce Scope 1 and 2 emissions by 50% by 2032 from a 2017 base year, and to reduce Scope 3 emissions by 25% over the same period, were approved by SBTi in March 2018.

Global media company, **News Corp**, also had its target validated by the SBTi in 2018 after committing to reduce absolute Scope 1 and 2 emissions 25% by 2025 from a 2014 base year, and to reduce Scope 3 emissions 20% by 2030 from a 2016 base year.

There are now more than 20 companies in the region committed to setting SBTs.

Notwithstanding these encouraging developments, 38 companies (40%) in the region reported having no active emissions reduction targets. Having such targets in place is an important indicator of an organization's commitment to reducing emissions beyond a business-as-usual scenario, while ambitious targets signal an organization's preparedness for the low-carbon transition.

From increased renewable energy consumption and/or emissions reduction activities, 54 companies in the region reported a decrease in their gross global emissions (Scope 1 and 2 combined) as compared to the previous reporting year.

Verification

The accuracy of emissions data is crucial for tracking performance and setting quality targets. In 2018, 43 companies (45%) in the region reported having third-party verification covering at least 70% of their Scope 1 and 2 emissions data, which is considered best practice. 36 companies also reported having independent verification of at least one relevant Scope 3 emissions category.

Value chain engagement

An organization's supply chain emissions are on average 5.5 times higher than those from its direct operations¹. Thus, to effectively reduce global emissions, companies must look beyond their organizational boundaries and engage with their value chains.

77 companies (81%) in the region reported engaging with at least one stakeholder—customers, suppliers,

1. CDP Global Supply Chain Report 2019: <http://tinyurl.com/y5m7z4nz>

or other partners—in their value chain on climate-related issues. Of these, 53 engage with two or more stakeholders, showing that more than half of responding companies in the region align with the best practice of working with both upstream and downstream partners to reduce negative environmental impacts.

Carbon pricing

Carbon pricing has emerged as a key policy mechanism to drive emissions reductions and mitigate the dangerous impacts of climate change. In response to shifting regulatory and market dynamics, internal carbon pricing has also emerged as a tool that supports companies in assessing climate-related risks and opportunities.

46% of responding companies in New Zealand and 18% of Australian responders, reported having operations or activities regulated by a carbon pricing system in 2018.

25% of Australian responding companies are currently using an internal price on carbon, of which half are not regulated by a carbon pricing system. For these companies, an internal carbon pricing might still be a valuable tool to inform climate-related assessments and business decisions, regardless of the external regulatory environment.

In New Zealand, four of the 13 responding companies are using an internal price on carbon and a further six anticipate doing so within the next two years.

Among other objectives, **Mercury NZ Limited** uses an internal price on carbon to navigate greenhouse gas regulations, identify low-carbon opportunities, and engage with its suppliers. The company reports that this has led to better evaluation of financial risks and opportunities across the organization and served to educate and inform various stakeholders about its emissions footprint.



Water security

Driving water stewardship

Ten key drivers of water insecurity

- ▶ Growing population
- ▶ Increasing demand for food
- ▶ Increasing demand for energy
- ▶ Declining water quality
- ▶ Leaking infrastructure
- ▶ Poor pricing & valuation
- ▶ Poor water governance
- ▶ Lack of political will
- ▶ Chronic underinvestment
- ▶ A changing climate

Water and climate change are closely intertwined – the vast majority of physical climate risks reported to CDP globally are water-related, and many climate resilience measures depend on reliable freshwater supplies.

Global insights

CDP's work on water security aims to drive six key management behaviours in companies:

Transparency – 760 companies responded to the investor request for water information via CDP in 2018 – a 50% response rate.

Governance & strategy – Most companies report board-level oversight of water issues, but companies should also have a public water policy and ensure that water issues are factored into long-term strategic business planning. Just 40% of companies responding to CDP achieve all three elements.

Targets & goals – Companies should set ambitious, public targets informed by science and local context. These targets can be set for facilities, brands, products and businesses, and should be tracked at the corporate level to ensure integration into corporate strategy and KPIs. 70% of companies have company-wide targets and goals that are monitored at the corporate level.

Measuring & monitoring – Companies need robust water accounting data to identify and respond to risks and opportunities. 59% of companies reported that they measure and monitor water usage of at least three-quarters of their facilities, tracking the volume and quality of water withdrawals, consumption and discharges, and access to water, sanitation and hygiene (WASH) for all employees.

Risk assessment – Companies that conduct robust water risk assessments are better placed to understand and mitigate water risks. Risk assessments should cover direct operations and other stages of the value chain where appropriate, and should include local context and stakeholders. 62% of companies achieved this metric in 2018.

Value chain engagement – Companies can use their procurement power to improve water management at scale throughout the value chain. In 2018, 61% of companies reported engaging their suppliers, customers or other partners on water issues.

Australia & New Zealand insights

In 2018, 21 companies responded to CDP's investor request for the water security program.

19 companies (91%) reported having board-level oversight on water-related issues. Yet only ten

companies have a publicly available, company-wide water policy, while 13 integrate water-related issues into their long-term strategic business planning. One third of the companies met all three criteria.

19 companies undertake water-related risk assessments. However, just seven companies conduct risk assessments that cover direct operations and supply chains, and include local context and stakeholders, which is considered best practice. Three of these companies conduct assessments annually or more frequently, considering risks six years or more into the future.

11 responding companies identified a total of 37 water-related risks in their direct operations with the potential to have a substantive financial or strategic impact on their business. The most commonly cited risks were physical, such as drought, flooding, and increased water scarcity. On the flipside, ten companies identified water-related opportunities. Improved water efficiency in operations and cost savings were the most common opportunities reported.

Global packaging manufacturer **Amcors** saved cost and achieved significant reductions in water usage at several locations through increased awareness and improved maintenance. At one site, water usage was reduced by over 50% from improved equipment calibration, data recording, analysis, and reporting.

About half of companies (52%) have set company wide water-related targets or goals which are monitored at the corporate level. Yet not all these companies are among the nine who reported that they measure and monitor water usage of at least three-quarters of their facilities by tracking the volume and quality of water withdrawals, consumption, and discharges. Besides these metrics, 13 companies measure and monitor access to WASH for all employees at 100% of their sites, facilities, or operations. Only nine (43%) of companies in the region report engagement with their value chain on water issues, which is well below the global proportion of 61%.

Most of the responding companies operate in Australia. Given the increased severity of floods and droughts that have occurred in 2018 and 2019 thus far, it is imperative that the private sector steps up by increasing transparency of reporting on water-related risks and takes action to strengthen water security in the region.

Forests

Building sustainable supply chains

Cattle products, soy, palm oil, and timber are the commodities responsible for the greatest proportion of deforestation globally. CDP's forest program works with companies and other stakeholders to remove deforestation from the corporate supply chains of these commodities.

Global insights

Forests help regulate the climate, supply water, control pollution and soil erosion, protect biodiversity, and provide wood-based products. Yet, five million hectares of forests have been lost on average each year between 2001-2015 to the production of commodities such as palm oil or soy^{1,2}.

Forests, water security and climate change are closely intertwined, as shown in the 2018 forests disclosure. The most reported physical risks related to deforestation were climate and water-related, namely risks of increased severity of extreme weather events and changes in precipitation patterns.

With the rapid pace at which forests are being lost, governments and companies need to tackle deforestation to avert temperature increases above 1.5 degrees and achieve a sustainable economy.

CDP's forests program aims to drive six key management behaviors in companies:

Transparency – In 2018, 238 companies responded to the investor request for forest information via CDP, an 18% increase from 2017. This represents a 21% response rate. 180 companies disclosed data on timber, 91 on palm oil, 64 on soy, and 53 on cattle products. In 2018, CDP also asked companies to report information on rubber for the first time; 16 companies did so.

Risk assessment – 189 companies (79%) stated that they undertake forest-related risk assessments. Robust forest-related risk assessments that take into account relevant value stages and stakeholders enable companies to better understand and mitigate their forest-related risks.

Governance & strategy – Over 75% of responding companies (184) reported that their boards have oversight of forest-related issues, while around two-thirds (163) have a public forest policy in place or report that forest issues are factored into their long-term strategic business planning (153). Just over half (125) of companies achieved all three elements.

Measuring & monitoring – In order for companies to assess corporate risk and deforestation impact, they must first establish their dependence on forest risk commodities and where they source these commodities from. 68% (162) of companies can report on production and consumption data for the commodities they produce or use. 182 companies (76%) have a traceability system in place to track and monitor the origins of the commodities they use.

Targets & goals – 155 (65%) companies reported having quantified targets for increasing sustainable production and/or consumption of used commodities.

1. Ibid.

2. <https://news.mongabay.com/2018/09/whats-causing-deforestation-new-study-reveals-global-drivers/>

Tackling deforestation in supply chains

CDP's supply chain program for forests was launched in 2017 to enable large purchasing organizations to better manage their forests-related risks and opportunities through supplier disclosure.

Members request their suppliers to report to CDP. In 2018, over 305 suppliers responded to this request, a dramatic increase from just 88 in 2017. The number of supply chain forests program members has grown from an initial 8 to 14 in 2018.

In Indonesia, CDP's Power of Procurement project, which focuses on removing deforestation from palm oil supply chains, entered its second phase in 2018. A special report on this work will be published in March 2019.

Australia and New Zealand insights

Two of the biggest global agricultural commodity deforestation drivers – timber and palm oil – are imported into Australia and New Zealand. The Australian Department of Agriculture and Water Resources confirmed that the country’s exposure to the illegal timber trade is significant, with an estimated AUD 800 million worth of potentially illegal timber imported annually³. Australia and New Zealand are also big importers of palm oil, given the population size, bringing in over 140,000 tonnes of palm oil in 2016⁴. Most palm oil is sourced from Indonesia, Papua New Guinea, and Malaysia, which have seen the rate of tree cover loss increasing again in the last five years at the expense of plantation growth⁵.

Disclosure

In 2018, just six out of 26 companies responded to CDP’s investor request for forest information from Australia and New Zealand. All six companies disclosed on their use of timber products, whilst two also disclosed on palm oil and soy. Companies who declined the request from investors in the region include retailers and food manufacturing companies, which are heavily reliant on agricultural commodities such as palm oil. These commodities are tied to deforestation and land degradation in regions where investors are showing increasing interest in these issues in the form of coalitions that call on both companies and certification standards to improve traceability^{6,7}. **Brambles** remains the regional leader, securing a score of B for its disclosure on timber.

Measuring & monitoring

All companies in the region reported collecting production and/or consumption data, yet not many disclosed this information, which indicates a lack of in transparency. Data of this type will gain increasing importance for the verification of environmental, social and corporate governance. Whilst all

responding companies have some form of forests-related risk assessment, the responses indicate that the coverage, frequency, and robustness of the assessments do not fully cover exposure to forests-related risks. For example, some assessments only cover part of the company’s supply chain, or the frequency of the risk assessments is not defined. Only one company has a risk assessment that considers risks more than three years into the future.

Policy and commitments

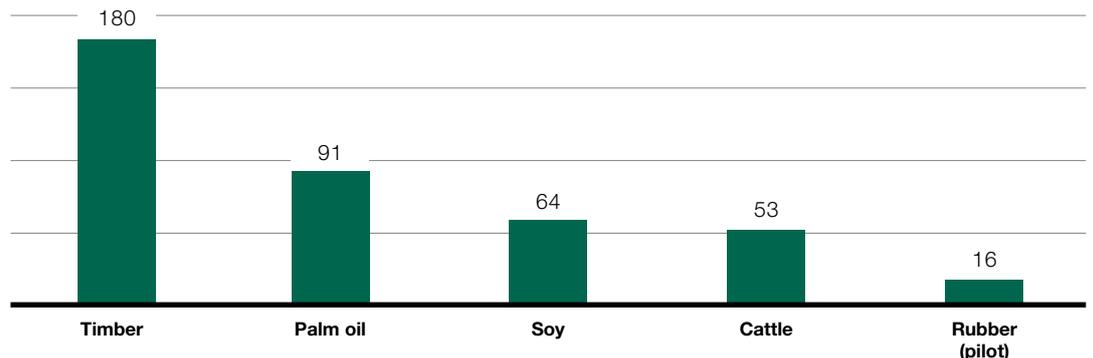
Three companies reported having a public, company-wide policy focusing on specific forest-risk commodities. **Brambles** reports a commitment to align with public policy initiatives including the Sustainable Development Goals, which can be tracked throughout CDP’s forests questionnaire⁸. Tailored packaging and visual communication solutions provider, **Orora**, has a policy that includes a description of its business-dependency on forests and a commitment to protect rights and livelihoods of local communities. Dairy nutrition company, **Fonterra Co-operative Group** reported a public commitment that goes beyond regulatory compliance and recognises the importance of forests and other natural habitats.

Implementation

To implement zero deforestation commitments and policies, many companies turn to sustainable sourcing approaches such as improving traceability of commodity supply chains.

All responding companies in the region have a traceability system in place to track and monitor the origins of the commodities they use. **Fonterra Co-operative Group** is one of the few companies with traceability close to the source of production and can track 71-80% of the total palm oil consumption to the mill.

Figure 2: Global responses to CDP forests 2018 by commodity



3. Curtis, P., Slay, C., Harris, N., Tyukavina, A. and Hansen, M. (2018). Classifying drivers of global forest loss. *Science*, 361(6407), pp.1108-1111.

4. Palm oil in Oceania, Sustainability Policy Transparency Toolkit (SPOTT) <https://www.spott.org/palm-oil-resource-archive/oceania/>

5. What’s causing deforestation? <https://news.mongabay.com/2018/09/whats-causing-deforestation-new-study-reveals-global-drivers/>

6. Global Investors Call for Stronger Standards from Sustainable Palm Oil Certification Group.

7. Investor expectations on deforestation in cattle supply chains

8. Root and branch: How forests underpin the sustainability agenda. A policy briefing for policy makers.

CDP 2018 Awards Australia & New Zealand

The winners of these awards have been selected objectively from the 95 companies based or listed in Australia and New Zealand who responded to one or more of CDP's questionnaires as requested by CDP's investor signatories.

CDP A List companies in Australia & New Zealand

BHP (Climate Change)

Stockland (Climate change)

Telstra Corporation (Climate Change)

The CDP A List comprises companies from around the world that have been identified as leading in their efforts and actions to combat environmental risk in the past CDP reporting year. This year, CDP's A List consists of over 150 companies. Of these companies, 139 are on the A List for climate change, 31 for water security, and 7 for forests.

The full 2018 CDP A List can be viewed at <https://www.cdp.net/en/scores>.

Best performance across programs

Amcor

This award recognises the company that has responded to CDP's climate change, water security, and forests questionnaires in 2018 and achieved the best scores across the three programs. The winner for the second consecutive year, Amcor, has received a B for climate change, C for water security, and B- for forests (timber).

Best first-time performance

Vector

This award recognises the company that responded to the full version questionnaire for either the climate change, water security, or forests program for the first time in 2018 and achieved the highest score. The winner, Vector, has received a B score for climate change in its first year of disclosing to this program.

Congratulations to all the winners!

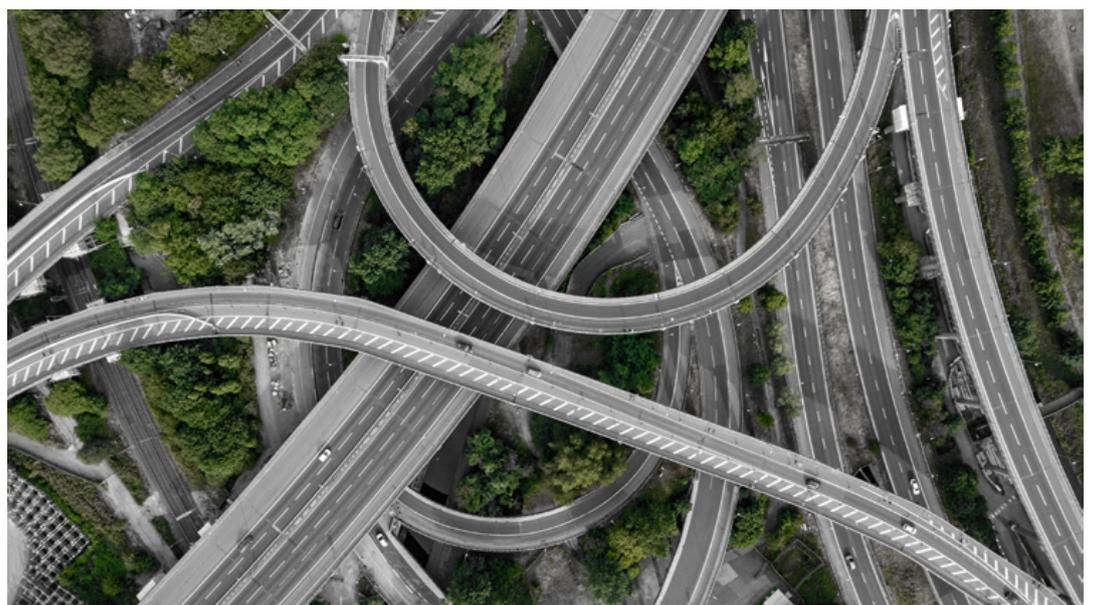


Photo by _M_V_ on Unsplash

Investor Signatories & Members in Australia & New Zealand

For nearly two decades, CDP has brought investors together, harnessing their combined influence to catalyze change by urging for increasingly complete environmental reporting and action from companies. This successful approach has led to the world's most comprehensive, consistent and comparable global environmental dataset for investors to access.

In 2018, over 650 investors with US\$87 trillion in assets signed CDP's disclosure request. Of these, 42 are from Australia and New Zealand as listed below.

For a full list of CDP's investor signatories and members, please visit <https://www.cdp.net/en/investor>.

Investor Members	Country
Catholic Super	Australia
National Australia Bank	Australia

Investor Signatories	Country
ATI Asset Management	Australia
Australia and New Zealand Banking Group	Australia
Australian Ethical Investment	Australia
AustralianSuper	Australia
CareSuper	Australia
Celeste Funds Management	Australia
Change Investment Management	Australia
Christian Super	Australia
Commonwealth Superannuation Corporation	Australia
DNR Capital	Australia
First State Superannuation Scheme	Australia
Foundation North	New Zealand
Good Super	Australia
Guardians of New Zealand Superannuation	New Zealand
Harbour Asset Management	New Zealand
HESTA	Australia
IFM Investors	Australia
Insurance Australia Group	Australia

LUCRF Super	Australia
Macquarie Group	Australia
Magellan Financial Group	Australia
Maple-Brown Abbott	Australia
Mirvac Group	Australia
MTAA Superannuation Fund	Australia
Nanuk Asset Management	Australia
New South Wales Treasury Corporation (TCorp)	Australia
NGS Super	Australia
Perpetual Limited	Australia
QBE Insurance Group	Australia
QIC	Australia
REI Super	Australia
Socrates Fund Management	New Zealand
SouthPeak Investment Management	Australia
StatewideSuper	Australia
UniSuper	Australia
University of Sydney Endowment Fund	Australia
VicSuper Pty Ltd	Australia
Vinva Investment Management	Australia
Waikato Community Trust	New Zealand
Westpac Banking Corporation	Australia

Appendix I

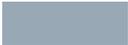
Responding companies incorporated or listed in Australia & New Zealand

This list shows the scores of companies based or listed in Australia and New Zealand who responded to one or more of CDP's questionnaires as requested by CDP's investor signatories. Due to the more established nature of CDP's climate change program, it has proportionately more responding companies. A significantly smaller pool of organisations are asked to respond to the forests and water security programs.



Company	Primary Sector	Country	Climate	Water	Forests			
					Cattle Products	Palm Oil	Soy	Timber
Apparel								
Kathmandu Holdings	G	New Zealand	B					
Biotech, Health Care & Pharma								
CSL	G	Australia	D	B-				
Fisher & Paykel Healthcare Corporation	G	New Zealand	B					
NIB Holdings Ltd	G	Australia	^Not Scored					
Food, beverage & agriculture								
Coca-Cola Amatil	FBT	Australia	NA	NA				
Fonterra Co-operative Group	FBT	New Zealand	B					
Metcash	FBT	Australia	C		D	D	D	D
Fossil fuels								
APA Group	OG	Australia	D-	F				
Beach Energy	OG	Australia	D-					
BHP	MM	United Kingdom of Great Britain and Northern Ireland	A	F				
Oil Search	OG	Australia	C	C				
Woodside Petroleum	OG	Australia	C	F				
Hospitality								
Crown Resorts	G	Australia	*Not Scored					
Tabcorp Holdings	G	Australia	D	C				
Tatts Group	G	Australia	SA	SA				
Infrastructure								
CIMIC Group	G	Australia	C	B-		F		
Cleanaway Waste Management	G	Australia	C					

Key:

 The company was not requested to respond to this program as their business activities were not deemed material for that theme or the company did not meet the sample setting criteria.

* Companies with responses submitted after the deadline are not scored.

** Company has voluntarily responded to this CDP questionnaire.

NA "Not available" - Companies that responded to full version questionnaires for the first time, or had on-demand scoring, received private scores.



Company	Primary Sector	Country	Climate	Water	Cattle Products	Palm Oil	Soy	Timber
Contact Energy	EU	New Zealand	^Not scored	^Not scored				
Downer EDI	G	Australia	C					
Gateway Lifestyle	G	Australia	*Not scored					
Mirvac Group	G	Australia	B-					
Nextdc	G	Australia	^Not scored					
Sims Metal Management	G	Australia	D	C				
Spark Infrastructure Group	EU	Australia	D					
UGL	G	Australia	SA					
Vector	EU	New Zealand	B					

Manufacturing								
Altium	G	Australia	^Not scored					
Ancor	PF	Australia	B	C	.....	Not scored	.....	B-
Incitec Pivot	CH	Australia	D	C				
Orica	CH	Australia	C	F				
Orora	G	Australia	B-	C	.....	Not scored	.....	C

Materials								
Alumina	MM	Australia	D	D				
Ansell	G	Australia	C	C				
Brambles	PF	Australia	C		.....	Not scored	.....	B
James Hardie Industries	C	Ireland	D	D				
PanAust	MM	Australia	C	C				
South32	MM	Australia	D	B-				

Mineral Extraction								
Independence Group	MM	Australia	D	^Not scored				
Mineral Resources	MM	Australia	D					
Newcrest Mining	MM	Australia	*Not scored	*Not scored				
Orocobre	MM	Australia	^Not scored					
Regis Resources	MM	Australia	^Not scored					
Rio Tinto	MM	United Kingdom of Great Britain and Northern Ireland	C	F				
Sandfire Resources NL	MM	Australia	D	C				
Saracen Mineral Holdings	MM	Australia	C	C				

Key:

SA “See Another” – this company’s data is covered by their parent company’s response.

F This stands for failure to provide sufficient information to CDP to be evaluated for this purpose. It does not stand for failure of environmental stewardship. If the company provided reason(s) for not responding to a program this is indicated by an italicised F.

^ Companies that responded to minimum versions of the questionnaire are not scored.

^^ Company has not provided enough data on forest commodity to receive a score.



Company **Primary Sector** **Country** **Climate** **Water** **Forests**

 **Cattle Products**  **Palm Oil**  **Soy**  **Timber**

St Barbara	MM	Australia	NA					
Western Areas	MM	Australia	D					

Power Generation

AGL Energy	EU	Australia	B	F				
Mercury NZ Limited	EU	New Zealand	C					
Origin Energy	EU	Australia	D	C				

Retail

JB Hi-Fi	G	Australia	D					
Super Retail Group	G	Australia	C			F		
Warehouse Group	G	New Zealand	C					
Wesfarmers	G	Australia	B			F		
Woolworths Limited	G	Australia	C			F		

Services

AMP	G	Australia	A-					
APN Outdoor Group	G	Australia	^Not scored					
Australia and New Zealand Banking Group	G	Australia	A-					
Bendigo and Adelaide Bank	G	Australia	C					
BWP Trust	G	Australia	C					
Carsales.com	G	Australia	^Not scored					
Charter Hall Group	G	Australia	NA					
Charter Hall Retail REIT	G	Australia	SA					
Chorus	G	New Zealand	B					
Commonwealth Bank of Australia	G	Australia	B					
Computershare	G	Australia	D-					
Dexus Property Group	G	Australia	A-					
Fairfax Media	G	Australia	NA			F		
Federation Centres	G	Australia	SA					
Fletcher Building	G	New Zealand	D	C				
Goodman Property Trust	G	New Zealand	B-					



Company

Primary Sector

Country

Climate

Water

Forests

Cattle
Products

Palm Oil

Soy

Timber

Company	Primary Sector	Country	Climate	Water	Cattle Products	Palm Oil	Soy	Timber
GPT Group	G	Australia	D					
Growthpoint Properties Australia	G	Australia	B					
Insurance Australia Group	G	Australia	C					
Iron Mountain Inc.	G	United States of America	B-					
Janus Henderson Group PLC	G	United Kingdom of Great Britain and Northern Ireland	B					
Kiwi Property Group	G	New Zealand	B					
Macquarie Group	G	Australia	C					
Magellan Financial Group	G	Australia	C					
Medibank Private	G	Australia	D					
National Australia Bank	G	Australia	B					
News Corp	G	United States of America	B					
Pendal Group Limited	G	Australia	D					
Perpetual Limited	G	Australia	C					
Platinum Asset Management	G	Australia	D					
QBE Insurance Group	G	Australia	D					
Recall Holdings	G	Australia	SA					
Scentre Group	G	Australia	B					
Spark New Zealand	G	New Zealand	B					
Stockland	G	Australia	A					
Suncorp Group	G	Australia	C					
Telstra Corporation	G	Australia	A					
Vicinity Centres	G	Australia	B					
Village Roadshow	G	Australia	D					
Westfield Corporation	G	Australia	A-					
Westpac Banking Corporation	G	Australia	B					
WorleyParsons	G	Australia	C					

Transportation services

Auckland International Airport	G	New Zealand	B					
Aurizon Holdings	TS	Australia	B					
Australia Post	G	Australia	B					

Appendix II

Responding companies in Australia and New Zealand – supply chain program

This list shows the companies in Australia and New Zealand who responded publicly to CDP's supply chain questionnaire as requested by members of CDP's supply chain program. The members are companies looking to address environmental risks and opportunities in their supply chains.

Food, beverage & agriculture	Country	Services	Country
Fonterra Co-operative Group	New Zealand	Chorus	New Zealand
Infrastructure	Country	Macquarie Group	Australia
Sims Metal Management	Australia	Spark New Zealand	New Zealand
Manufacturing	Country	Telstra Corporation	Australia
Amcor	Australia	Village Roadshow	Australia
Orora	Australia	WorleyParsons	Australia
Rakon	New Zealand	Iron Mountain Inc.	United States of America
Materials	Country	Transportation services	Country
Ansell	Australia	Australia Post	Australia
Brambles	Australia		

Appendix III

Non-responding companies in Australia and New Zealand

This list shows the companies in Australia and New Zealand who were requested by CDP's investor signatories to respond to one or more of CDP's questionnaires but did not do so. They have thus received a score of "F", which stands for 'failure to provide sufficient information to CDP to be evaluated for this purpose'. It does not indicate failure of environmental stewardship.

Biotech, Health Care & Pharma	Score	Country
Arvida Group Limited	F	New Zealand
Blackmores	F	Australia
Cochlear	F	Australia
Estia Health	F	Australia
Greencross	F	Australia
Healius Limited	F	Australia
Healthscope	F	Australia
Japara Healthcare	F	Australia
Mayne Pharma Group	F	Australia
Metlifecare	F	New Zealand
Nanosonics Limited	F	Australia
Ramsay Health Care	F	Australia
Regis Healthcare	F	Australia
Ryman Healthcare	F	New Zealand
Sirtex Medical	F	Australia
Sonic Healthcare	F	Australia
Food, beverage & agriculture	Score	Country
A2 Milk Company	F	New Zealand
Australian Agricultural Company	F	Australia
Bega Cheese	F	Australia
Costa Group Holdings	F	Australia
GrainCorp	F	Australia
Retail Food Group	F	Australia
Sanford	F	New Zealand
Scales Corporation	F	New Zealand
Tassal Group	F	Australia
Treasury Wine Estates	F	Australia
Fossil fuels	Score	Country
Ausdrill	F	Australia
AWE	F	Australia
Baralaba Coal Company	F	Australia
Caltex Australia	F	Australia
Carnarvon Petroleum	F	Australia
Coal of Africa	F	Australia
Freedom Oil & Gas	F	Australia
Galaxy Resources	F	Australia
New Hope	F	Australia
New Zealand Refining Company	F	New Zealand
Pan Pacific Petroleum NL	F	Australia

Resource Generation	F	Australia
Santos	F	Australia
Senex Energy	F	Australia
Stanmore Coal	F	Australia
Syrah Resources	F	Australia
Washington H Soul Pattinson Corp	F	Australia
White Energy Company	F	Australia
Whitehaven Coal	F	Australia
Yancoal Australia	F	Australia
Z Energy	F	New Zealand
Lynas Corporation	F	Australia
Hospitality	Score	Country
Ardent Leisure Group	F	Australia
Ardent Leisure Group	F	Australia
Domino's Pizza Enterprises	F	Australia
Restaurant Brands New Zealand	F	New Zealand
SkyCity Entertainment Group	F	New Zealand
Star Entertainment Group	F	Australia
Infrastructure	Score	Country
Abacus Property Group	F	Australia
AusNet Services	F	Australia
Aveo Group	F	Australia
Genesis Energy	F	New Zealand
Just Group Ltd	F	Australia
Lend Lease Group	F	Australia
Macquarie Atlas Roads Group	F	Australia
Mantra Group	F	Australia
Summerset Group Holdings	F	New Zealand
Transurban Group	F	Australia
Manufacturing	Score	Country
Arb Corp	F	Australia
Asaleo Care	F	Australia
Breville Group	F	Australia
DuluxGroup	F	Australia
GUD Holdings	F	Australia
Nufarm	F	Australia
Pact Group Holdings	F	Australia
Reliance Worldwide Corp	F	Australia
Tronox	F	Australia

To see which program(s) these companies have been requested to respond to, please refer to our website. Some companies declined to participate and have provided a reason for not responding.

Materials	Score	Country		
Adelaide Brighton	F	Australia	Bank of Queensland	F Australia
Aspire Mining Ltd	F	Australia	CBL Corporation Limited	F New Zealand
Aspire Mining Ltd	F	Australia	Challenger	F Australia
Boral	F	Australia	Credit Corp Group	F Australia
Brickworks	F	Australia	Cromwell Property Group	F Australia
CSR	F	Australia	Domain Holdings Australia Limited	F Australia
GWA Group	F	Australia	Ebos Group	F New Zealand
Metro Performance Glass	F	New Zealand	Eclixp Group	F Australia
Mineral extraction	Score	Country		
Beadell Resources	F	Australia	Flexigroup	F Australia
Evolution Mining	F	Australia	G8 Education	F Australia
Fortescue Metals Group	F	Australia	Genworth Mortgage Insurance	F Australia
Iluka Resources	F	Australia	Goodman Group	F Australia
Northern Star Resources	F	Australia	Heartland Bank	F New Zealand
OZ Minerals	F	Australia	HT&E Limited	F Australia
Resolute Mining	F	Australia	Investa Office Fund	F Australia
Kingsgate Consolidated	F	Australia	Investore Property	F New Zealand
Medusa Mining	F	Australia	InvoCare	F Australia
Ramellius Resources	F	Australia	IOOF Holdings	F Australia
Silver Lake Resources	F	Australia	IPH	F Australia
Troy Resources	F	Australia	IRESS	F Australia
Power generation	Score	Country		
Infigen Energy	F	Australia	Link Administration Holdings	F Australia
Infratil	F	New Zealand	McMillan Shakespeare	F Australia
Meridian Energy	F	New Zealand	Monadelphous Group	F Australia
ReNu Energy	F	Australia	MYOB Group	F Australia
TrustPower	F	New Zealand	National Storage REIT	F Australia
Retail	Score	Country		
Automotive Holdings Group	F	Australia	Navitas	F Australia
Bapcor Ltd	F	Australia	Nine Entertainment	F Australia
Comvita	F	New Zealand	NZX	F New Zealand
Harvey Norman Holdings	F	Australia	oOhlmedia Limited	F Australia
Myer Holdings	F	Australia	Orion Health Group	F New Zealand
Premier Investments	F	Australia	Precinct Properties New Zealand	F New Zealand
Services	Score	Country		
Aconex	F	Australia	Property For Industry	F New Zealand
ALS	F	Australia	REA Group	F Australia
Argosy Property	F	New Zealand	SEEK	F Australia
ASX	F	Australia	Seven Group Holdings	F Australia
Australian Pharmaceutical Industries	F	Australia	Seven West Media	F Australia
			Shopping Centres Australasia	F Australia
			Shopping Centres Australasia	F Australia
			Sky Network Television	F New Zealand
			Southern Cross Media Group	F Australia
			SpeedCast International Ltd	F Australia

Steadfast Group	F	Australia
Stride Property Group	F	New Zealand
Synlait Milk Ltd	F	New Zealand
Technology One	F	Australia
Tourism Holdings Ltd	F	New Zealand
TPG Telecom	F	Australia
Trade Me	F	New Zealand
Vital Healthcare Property Trust	F	New Zealand
Viva Energy REIT Limited	F	Australia
Vocus Group Limited	F	Australia
Webjet Ltd	F	Australia
Xero	F	New Zealand

Transportation Services	Score	Country
Air New Zealand	F	New Zealand
Asciano Group	F	Australia
Corporate Travel Management	F	Australia
Flight Centre	F	Australia
Freightways	F	New Zealand
Mainfreight	F	New Zealand
Port Of Tauranga	F	New Zealand
Qantas Airways	F	Australia
Qube Holdings	F	Australia
Sydney Airport	F	Australia
Virgin Australia Holdings	F	Australia



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